



STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Introduced:	02/26/04	Bill No:	SB 1879
Tax:	Property	Author:	Committee on Revenue & Taxation
Board Position:	Support Board-sponsored	Related Bills:	

BILL SUMMARY

This bill would eliminate the need for taxpayers claiming the historical aircraft exemption to sign the annual claim form before a notary public or a member of the assessor's office.

ANALYSIS

Current Law

Revenue and Taxation Code Section 220.5 provides a property tax exemption for aircraft of historical significance. A one-time fee of \$35 is imposed with the initial application for exemption. Thereafter, Section 255 requires that persons re-file for the exemption each year by February 15.

Subdivision (c) of Section 220.5 requires that when filing a claim and affidavit for the exemption, the claimant must sign and swear to the accuracy of the contents of the affidavit before either a notary public or the assessor or his or her designee, at the claimant's option.

All other laws that require an exemption claim to be filed only require that the claim be signed under the penalty of perjury.

Proposed Law

This measure would amend subdivision (c) of Section 220.5 of the Revenue and Taxation Code to delete the requirement that a claimant sign the form in front of a notary public or member of the assessor's office staff and instead require only that the claimant sign the affidavit under penalty of perjury.

This amendment would conform the exemption claiming process in Section 220.5 as it relates to signatures to all other exemptions that require a claim to be submitted and signed.

This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position.

COMMENTS

1. **Sponsor and Purpose.** The Board of Equalization is sponsoring this measure to make the annual filing process for claiming the historical aircraft exemption less burdensome and costly.
2. **The annual filing requirement for the historical aircraft exemption is unique in that Section 220.5 requires that the property owner sign the affidavit before either a notary public or a member of the assessor's staff.** All other exemptions only require that the claimant sign the affidavit under penalty of perjury.
3. **The signing requirement has no constructive purpose and is unduly onerous.** To comply, taxpayers must either drive to their local assessor's office during business hours or pay a fee to have the document notarized.
4. **Some counties do not require their taxpayers to meet this requirement given these burdens.** In practice, many county assessors' offices do not require that taxpayers sign the claim form before a notary public or a member of the assessor's staff due to the unnecessary burden and inconvenience it places on their taxpayers. However, when it is discovered in a Board audit of a county assessor's office that claims have been accepted without following this statutory requirement, the Board recommends that the county discontinue the practice given the legal requirement. Most counties subsequently comply. However, the Board agrees that the law is unduly onerous and ought to be modified.

COST ESTIMATE

With respect to property taxes, the Board would incur insignificant costs in informing and advising local county assessors, the public, and staff of the law changes. These costs are estimated to be under \$10,000.

REVENUE ESTIMATE

This bill has no revenue impact.

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